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**AGENCY OVERVIEW**  
**412 Aeronautics Commission**

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**Date:** 01/13/2011  
**Time:** 11:00:37**Statutory Authority**

North Dakota Century Code Chapters 2-05, 2-06, 54-40.5, 57-43.3.

**Agency Description**

The Aeronautics Commission encourages the establishment and maintenance of airports and navigational facilities, cooperates with federal and local governments in the development and coordination of all aeronautical activities, and represents the state and industry in all matters relating to aeronautical activities.

**Agency Mission Statement**

To provide, at the highest priority, economic and technical assistance to insure an orderly and cost effective support system that enables the advancement of the state's aviation system.

**Agency Performance Measures**

Performance measures and results reporting are not currently used by the agency.

**Major Accomplishments**

1. Provided technical and financial assistance to the 89 public owned airports across the state.
2. Coordinated financial assistance through the FAA/State Capital Improvement Plan for 54 federal airports in North Dakota which belong to the National Plan of Integrated Systems (NPIAS).
3. Provided grants, through the Air Carrier Grant Program, totaling \$2.4 million and grants, through the General Aviation Grant Programs totaling \$1.8 million.
4. Provided grants to community airports to not only make runway/taxiway and pavement improvements, but to purchase snow removal equipment and buildings to provide shelter to the snow removal equipment plus other grounds repair and grooming equipment.
5. Updated the North Dakota Aviation System Plan.
6. Developed the Flight Instructor Assistance Program (FTAP) to offer to rural public use airports not served by an active flight instructor to help defray the cost of flight instructors' travel to and from their airports. This program provided a means for airports to train new pilots at their airports by defraying the costs of bringing in a flight instructor from elsewhere.
7. Continued the Air Carrier Intern Program for the eight communities that have airline service. This program provided \$4,000 to each airport that wanted to create an internship for airport management.
8. Initiated the Airport Passport Program to encourage pilots to visit all of the state's airports.
9. Initiated a program to enable high school teachers to learn aviation fundamentals in their schools.
10. Served as the Governor's coordinator of the "Real World Design Challenge" encouraging high school students to pursue careers in science, technology, engineering and math related fields.
11. Distributed the "Imagine Being A Pilot" brochure that is focused on the sixth grade age group.
12. Provided, in partnership with the air carrier airport management, marketing grants and information on many air service expansion programs in all eight airline serviced communities which increased airline boardings to all-time record numbers in each community.
13. Created the National Essential Air Service (EAS) Domestic Market Report which was disseminated to the states and was used to prepare national policy related to air service to isolated rural areas across the United States.
14. Developed a new State Aviation System Plan to evaluate airport system safety and security, ground accessibility, air access, support of state's economy and preserve airport infrastructure.
15. Coordinated nationwide broadcast of information from the Automated Weather Observation System (AWOS) that reports wind speed, current weather, ceiling and visibility to increase air flight safety.
16. Educated 89 public airport sponsors through airport inspections, training conferences, safety and security information, federal grant assurances, and community meetings.

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**Date:** 01/13/2011  
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With the aging of our pilot population and the declining populations in the smaller communities, the Commission and staff continually review the support available for the state's airports and aviation facilities. Like roads, the Commission has to continue to evaluate the repair, maintenance and improvement schedules of the airports to continue to serve the community's needs.

Two dominate issues that continually require the state to improve airport access to the airports across smaller communities are that regional medical facilities put flying doctors into the smaller medical markets to see patients and the aerial applicator licensed businesses across the state are transitioning their aircraft to larger turbo prop type which puts more emphasis on the runway strength, repair and maintenance. The Commission works closely with the communities on air service to insure that we receive quality service not only for our state residents but for those who want to do business with our business community.

The continuing high cost of aviation jet and regular aviation fuel has and will greatly impact airline service. The increase of asphalt prices will affect all levels of aviation planning. Whether it is small general aviation airport or air carrier airport, the increases fuel costs and asphalt costs will hugely affect the industry

Federal funding is always a critical issue. FAA's continuing resolutions make it difficult to plan and execute airport projects. FAA funding requirements have become increasingly stringent on environmental issues, requiring state and local funding to mitigate wetlands and purchase airport boundary areas. The larger air carrier types have many income sources to base plans upon. The smaller general aviation and commercial service airports do not have this luxury, per say. Thus, a severe reduction in the participation on the federal part could affect the planning of our smaller community's efforts to provide adequate access for their business endeavors.

Unmanned aerial vehicles will require changes to airspace regulations, modernized equipment, additional aviation fields of expertise and additional infrastructure to support them in the state.

Oil field development in the estat requires additional airport capabilities, particularly in the western part of the state. Airline capacity needs increases at commercial airports, and supporting airports need longer runways and instrument approaches to accomodate larger, long distance clients.

Wind turbines and meterologiccal towers are posting a safety risk to airport operators during takeoff and landing, and to many aerial applicators throughout the state.

**REQUEST SUMMARY**

412 Aeronautics Commission

Bill#: HB1006

Date: 01/13/2011

Time: 11:00:37

Biennium: 2011-2013

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>By Major Program</b>					
Regulatory and Administration	720,220	1,502,666	197,386	1,700,052	0
Airport Development and Maintenance	5,956,730	11,430,000	(549,000)	10,881,000	2,383,500
<b>Total Major Program</b>	<b>6,676,950</b>	<b>12,932,666</b>	<b>(351,614)</b>	<b>12,581,052</b>	<b>2,383,500</b>
<b>By Line Item</b>					
Salaries and Wages	529,797	901,234	51,769	953,003	0
Operating Expenses	3,383,251	1,841,432	416,617	2,258,049	0
Capital Assets	87,866	400,000	(70,000)	330,000	2,400,000
Grants	2,676,036	9,790,000	(750,000)	9,040,000	(16,500)
<b>Total Line Items</b>	<b>6,676,950</b>	<b>12,932,666</b>	<b>(351,614)</b>	<b>12,581,052</b>	<b>2,383,500</b>
<b>By Funding Source</b>					
General Fund	550,000	550,000	0	550,000	(16,500)
Federal Funds	2,878,735	5,247,000	(551,000)	4,696,000	0
Special Funds	3,248,215	7,135,666	199,386	7,335,052	2,400,000
<b>Total Funding Source</b>	<b>6,676,950</b>	<b>12,932,666</b>	<b>(351,614)</b>	<b>12,581,052</b>	<b>2,383,500</b>
<b>Total FTE</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>6.00</b>	<b>0.00</b>

**REQUEST DETAIL**

412 Aeronautics Commission  
Biennium: 2011-2013

Bill#: HB1006

Date: 01/13/2011

Time: 11:00:37

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>Salaries and Wages</b>					
Salaries - Permanent	401,893	668,434	38,036	706,470	0
Temporary Salaries	980	15,000	(9,000)	6,000	0
Fringe Benefits	126,924	217,800	22,733	240,533	0
<b>Total</b>	<b>529,797</b>	<b>901,234</b>	<b>51,769</b>	<b>953,003</b>	<b>0</b>

**Salaries and Wages**

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	529,797	901,234	51,769	953,003	0
<b>Total</b>	<b>529,797</b>	<b>901,234</b>	<b>51,769</b>	<b>953,003</b>	<b>0</b>

**Operating Expenses**

Travel	53,731	40,000	44,500	84,500	0
Supplies - IT Software	6,265	6,550	1,450	8,000	0
Supply/Material-Professional	5,993	10,711	89	10,800	0
Bldg, Ground, Maintenance	71,542	85,000	205,000	290,000	0
Miscellaneous Supplies	0	1,000	3,500	4,500	0
Office Supplies	6,955	12,174	(74)	12,100	0
Postage	7,026	10,500	0	10,500	0
Printing	40,800	30,000	8,000	38,000	0
IT Equip Under \$5,000	0	47,000	0	47,000	0
Office Equip & Furn Supplies	4,850	18,000	(3,000)	15,000	0
Utilities	16	0	0	0	0
Insurance	17,685	22,000	(9,000)	13,000	0
Rentals/Leases-Equip & Other	3,107	4,128	872	5,000	0
Rentals/Leases - Bldg/Land	74,321	95,862	45,138	141,000	0
Repairs	66,721	82,526	(27,526)	55,000	0
IT - Data Processing	23,075	36,000	0	36,000	0
IT - Communications	11,493	17,692	1,308	19,000	0
IT Contractual Svcs and Rprs	14,063	56,949	0	56,949	0
Professional Development	24,690	32,000	6,000	38,000	0
Operating Fees and Services	67,525	22,240	360	22,600	0
Fees - Professional Services	2,883,393	1,211,100	140,000	1,351,100	0
<b>Total</b>	<b>3,383,251</b>	<b>1,841,432</b>	<b>416,617</b>	<b>2,258,049</b>	<b>0</b>

**Operating Expenses**

General Fund	0	0	0	0	0
Federal Funds	2,795,263	1,200,000	133,000	1,333,000	0
Special Funds	587,988	641,432	283,617	925,049	0

**REQUEST DETAIL**

412 Aeronautics Commission  
Biennium: 2011-2013

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>Total</b>	<b>3,383,251</b>	<b>1,841,432</b>	<b>416,617</b>	<b>2,258,049</b>	<b>0</b>
<b>Capital Assets</b>					
Land and Buildings	0	0	230,000	230,000	0
Extraordinary Repairs	0	400,000	(300,000)	100,000	0
Equipment Over \$5000	87,866	0	0	0	0
Motor Vehicles	0	0	0	0	2,400,000
<b>Total</b>	<b>87,866</b>	<b>400,000</b>	<b>(70,000)</b>	<b>330,000</b>	<b>2,400,000</b>
<b>Capital Assets</b>					
General Fund	0	0	0	0	0
Federal Funds	83,472	380,000	(66,500)	313,500	0
Special Funds	4,394	20,000	(3,500)	16,500	2,400,000
<b>Total</b>	<b>87,866</b>	<b>400,000</b>	<b>(70,000)</b>	<b>330,000</b>	<b>2,400,000</b>
<b>Grants</b>					
Grants, Benefits & Claims	2,676,036	9,790,000	(750,000)	9,040,000	(16,500)
<b>Total</b>	<b>2,676,036</b>	<b>9,790,000</b>	<b>(750,000)</b>	<b>9,040,000</b>	<b>(16,500)</b>
<b>Grants</b>					
General Fund	550,000	550,000	0	550,000	(16,500)
Federal Funds	0	3,667,000	(617,500)	3,049,500	0
Special Funds	2,126,036	5,573,000	(132,500)	5,440,500	0
<b>Total</b>	<b>2,676,036</b>	<b>9,790,000</b>	<b>(750,000)</b>	<b>9,040,000</b>	<b>(16,500)</b>
<b>Funding Sources</b>					
General Fund	550,000	550,000	0	550,000	(16,500)
Federal Funds	2,878,735	5,247,000	(551,000)	4,696,000	0
Special Funds	3,248,215	7,135,666	199,386	7,335,052	2,400,000
<b>Total Funding Sources</b>	<b>6,676,950</b>	<b>12,932,666</b>	<b>(351,614)</b>	<b>12,581,052</b>	<b>2,383,500</b>

**CHANGE PACKAGE SUMMARY**

412 Aeronautics Commission

Bill#: HB1006

Date: 01/13/2011

Biennium: 2011-2013

Time: 11:00:37

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b><u>Base Budget Changes</u></b>						
<b>Ongoing Budget Changes</b>						
A-A 10 Decrease AWOS NADIN		0.00	0	(332,500)	(17,500)	(350,000)
A-A 11 Decrease Operating Expenses		0.00	0	0	(39,600)	(39,600)
A-A 3 Increase Grants		0.00	0	0	100,000	100,000
A-A 5 Extraordinary Repair Addition		0.00	0	95,000	5,000	100,000
A-A 6 Increase Operating Expenses		0.00	0	133,000	323,217	456,217
A-A 7 Add Capital Assets		0.00	0	218,500	11,500	230,000
A-A 8 Decrease Grant Carry-over		0.00	0	0	(200,000)	(200,000)
A-A 9 Decrease ADSB Funding		0.00	0	(285,000)	(15,000)	(300,000)
A-F 2 Remove Capital Assets		0.00	0	(380,000)	(20,000)	(400,000)
Base Payroll Change		0.00	0	0	51,769	51,769
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>(551,000)</b>	<b>199,386</b>	<b>(351,614)</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>(551,000)</b>	<b>199,386</b>	<b>(351,614)</b>
<b><u>Optional Budget Changes</u></b>						
<b>One Time Optional Changes</b>						
A-D 4 Aircraft Purchase	4	0.00	0	0	2,400,000	2,400,000
<b>Total One Time Optional Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>2,400,000</b>	<b>2,400,000</b>
<b>Total Optional Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>2,400,000</b>	<b>2,400,000</b>
<b><u>Optional Savings Changes</u></b>						
A-G 1 General Fund Reduction	1	0.00	(16,500)	0	0	(16,500)
<b>Total Optional Savings Changes</b>		<b>0.00</b>	<b>(16,500)</b>	<b>0</b>	<b>0</b>	<b>(16,500)</b>

**BUDGET CHANGES NARRATIVE****412 Aeronautics Commission****Bill#: HB1006****Date:** 01/13/2011**Time:** 11:00:37

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 3	<b>Priority:</b> 3
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Increase Grants - Increase Aviation Education Grants

Increase grants.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 5	<b>Priority:</b> 5
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Extraordinary Repair Addition - Extraordinary Repair Addition

Extraordinary Repairs at IPG.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 6	<b>Priority:</b> 6
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Increase Operating Expenses - Increase Operating Expenses

Increase Operating Expenses.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 7	<b>Priority:</b> 7
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Add Capital Assets

International Peace Garden Terminal and Fencing

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 8	<b>Priority:</b> 8
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Decrease Grant Carry-over

Decrease the amount of grant carry-over allowed

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 9	<b>Priority:</b> 9
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Decrease ADSB Funding

Decrease ADS-B Funding.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 10	<b>Priority:</b> 10
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Decrease AWOS NADIN

Decrease AWOS NADIN funding

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 11	<b>Priority:</b> 11
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Decrease Operating Expenses - Decrease Operating Expenses

**BUDGET CHANGES NARRATIVE****412 Aeronautics Commission****Bill#: HB1006****Date:** 01/13/2011**Time:** 11:00:37

Decrease Operating Expenses.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 4	<b>Priority:</b> 4
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Aircraft Purchase - Aircraft Purchase

ND Aeronautics Commission aircraft replacement justification

The NDAC existing aircraft continues to exceed its budget for maintenance and has become unreliable. In light of a recent fatal wing failure of a similar aircraft, the FAA has issued continued airworthiness recommendations for our aircraft. This aircraft may be required to have the wings removed and inspected, and the cost to do this would make most of these aircraft beyond economical repair.

The aeronautics commission is responsible for inspecting 90 airports, and actively manages 2 of them. Many of the airports (including 1 that we manage) are too short to accommodate our present aircraft. In addition, cold and ice prevents the present aircraft from operating, limiting the effectiveness of the staff in performing their jobs.

Compared to current operating costs, the replacement aircraft would be less to operate, fly faster, carry more people, have 3000 lbs of cargo capability, could land at any air field in the state, fly in any type of weather, and cost significantly less to maintain over the long run.

This aircraft allows multiple agency use, gives our agency increased capability, provides an emergency response capability that the state doesn't presently have, and does so at lower operating costs.

<b>Change Group:</b> A	<b>Change Type:</b> F	<b>Change No:</b> 2	<b>Priority:</b> 2
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Remove Capital Assets

Remove Capital Assets budget

<b>Change Group:</b> A	<b>Change Type:</b> G	<b>Change No:</b> 1	<b>Priority:</b> 1
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General Fund Reduction - General Fund Reduction

Impact of 3% reduction in General Funds for the ND Aeronautics Commission

\$550,000 from the state's General Fund is designated for the state's 8 air carrier airports, providing the service needed to support North Dakota's citizens, and the business and tourism industries. These airports provided service for 1,071,055 passengers in the past 12 months at a cost of 51¢ for each passenger. According to our 2004 Economic Impact Study, the air travelers provided \$478 million of additional revenue to the state. The benefits from aviation for all of the citizens far outweigh the small portion of General Funds.

The option for a 3% reduction in the General Fund for the NDAC will result in a loss of \$16,500 funding to support the state's airline infrastructure. These funds are used to provide the state share of federal projects, which are funded at 95%. The reduction of our portion would result in a loss of \$313,500 in federal funds, decreasing the benefits to North Dakota airports.